BRITISH COLUMBIA | BCStats

Infoline

Contact: bcstats.infoline@gov.bc.ca *Issue: 11-32* *August 12th, 2011*

- **Exports climb 0.8% in June; down 0.6% during second quarter**
- **Wine sales climbed in 2010/11, while beer sales slipped**
- **Housing starts continue to see-saw, jumping 29.3% in July**

The Economy

- **Exports of BC products climbed 0.8% (seasonally *adjusted*) in June, on the heels of a double-digit increase recorded in May (+11.7%).** Shipments of energy (-1.3%) and agriculture & fish (-3.6%) products were down, partially offsetting increases in the other major commodity groups. International exports of machinery, equipment & automotive (+11.0%) products showed the most strength.

  Exports to the United States receded (-1.2%), due mostly to declines in the energy (-5.4%) and forestry (-3.5%) sectors. Agriculture & fish (-2.4%) exports also decreased, but machinery, equipment & auto (+1.9%) and industrial & consumer (+4.6%) goods were higher.

  Shipments to countries other than the US fared better in June (+2.3%), marking the third monthly rise of 2011. The increase was mostly the result of a significant boost in exports of machinery, equipment & automotive (+32.5%) products to overseas destinations.

  Nation-wide, exports fell 1.7%, partly as a result of decreases in both the price and volume of energy products. Canadian exports to the US (-2.5%), and the European Union (-1.6%) declined moderately, while those to Japan (-20.5%) dropped more substantially.

  Data Source: Statistics Canada & BC Stats

Housing

- **Housing starts in the province showed continued volatility in July, surging 29.3% (*seasonally adjusted*), following a 26.3% drop-off in the previous month.** Canadian starts were up 4.3%, as seven provinces posted increases, the most notable of which was seen in PEI (+71.4%). *Data Source: CMHC*

- **Some of BC's urban centres, including Vancouver (+29.1%, *unadjusted*) and Abbotsford (+9.7%), saw housing starts climb during the first seven months of the year, such that starts in all urban areas were up 4.7% from the same period of 2010.** Vancouver alone accounts for nearly 60% of total starts in urban BC. The overall increase was significantly moderated by slowdowns in other urban centres, including Chilliwack (-66.4%), Victoria (-29.8%) and Kelowna (-26.8%). *Data Source: CMHC*

- **The price of new housing in BC's two largest cities continued to drop in June.** Home builders in Victoria saw prices fall by 1.7%, while in Vancouver the average cost for a new home was down 0.7% over the same month in 2010. Building values in Victoria were considerably lower (-1.7%) than a year earlier, and land prices were also down (-1.1%). Meanwhile, in Vancouver, the decrease in the price of a new house (-0.3%) was surpassed by the declining price of land (-1.1%).

  Nationally, the cost of new housing ascended 3.3% during the twelve-month period ending in June. Prices increased in all but three of the twenty-one metropolitan areas surveyed. The most inflationary new housing markets were in Regina (+6.9%) and Vancouver (+6.5%).

  Data Source: Statistics Canada

Second Quarter in Review

- **Exports of BC products slipped 0.6% (*seasonally* adjusted) during the second quarter, pulled down by decreased shipments to the**

Report

The Road Back: Pre and Post Downturn Labour Market Statistics

Did you know...

Over a third (33%) of British Columbians say that rising gas prices will influence them to select a more fuel-efficient vehicle. A further 32% will delay a new vehicle purchase, while some plan on either getting rid of their vehicle or limiting its use by taking public transit (5%). *Source: Ipsos Canada*

US (-0.9%) and other countries (-0.3%). A double-digit decline recorded in exports of industrial and consumer goods (-13.8%) weighed heavily on overall exports. With the exception of agriculture & fishing (-0.7%), shipments of all other major commodity groups were up. *Data Source: BC Stats*

Air Travel

- **In 2010, Canadian air carriers reported a 4.4% boost in passenger volume compared to 2009, with the total number of enplaned/deplaned passengers reaching 109 million.** Passenger traffic returned to 2008 levels after experiencing a decline in 2009.

Growth in the number of passengers travelling to international destinations other than the US led the increases in scheduled travel, jumping 9.2% during the 12-month period. The transborder (Canada-US) sector climbed a comparable 7.7%, while the volume of those travelling within Canada saw more modest growth (+1.8%). Canadian airports experienced an increase in the number of flights arriving and departing (+1.8%) last year and carriers also noted a significant boost in cargo tonnage (+13.0%) transported by air.

Data Source: S.C. Cat.# 51-203-XIE

Gas consumption

- **Gross sales of gasoline accelerated 5.8% in BC last year, the largest increase in the country.** Nationally, gasoline sales climbed 2.1% to 41.9 billion litres in 2010, marking the most substantial increase in fuel consumption since 2007 (+2.3%).

Motorists in the two most populous provinces, Ontario and Quebec, combined accounted for nearly 60% of Canada's motor vehicle fuel consumption last year.

Ontario drivers consumed the most, 16.2 billion litres, or 39% of the total, while those in Quebec purchased 8.6 billion litres, or 20%. Drivers in Alberta accounted for 13% of total sales, while those in BC used 12% of the Canadian total. Nationally, gross sales of gasoline fuel peaked in July and August at 3.6 billion litres each month, mostly the result of the summer holiday season, when vehicles travel further distances. *Data Source: Statistics Canada*

Liquor Sales

- **Despite a general decline in beer sales during the twelve-month period ending in June (-7.2% from 2009/10), imported beers continue to gain popularity in the BC beer market.** In 2010/11, the BC Liquor Distribution Branch sold nearly 52 million litres of imported beer. This was a decrease of 1.6% over the previous year but, by comparison, domestic beer saw sales fall at over five times that pace (-8.4%). Imported beer accounted for 19% of total beer sales during the twelve-month period, up five full percentage points from 2006/07 when imported brew held just 15% of the beer market. In general, sales of imported beer have been increasing steadily in recent years, while sales of domestic beer have shown more volatility.

With nearly three quarters (71%) of the total market share, beer is by far the most popular product sold at liquor stores. Wine (16%), refreshments, such as ciders and coolers (7%), and spirits (6%) account for smaller shares of the total volume sold. However, wine sales have been steadily increasing. Overall, total sales in litres of wine increased by 2.1% over the 2009/10 fiscal year, while sales of all other types of alcohol fell. Unlike beer, domestic and imported wines are relatively equal in popularity, though sales of domestic wines (+3.3%) increased more substantially in 2010/11 than did those of imported wines (+0.7%). *Data Source: BC Liquor Distribution Branch*

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Infoline Report

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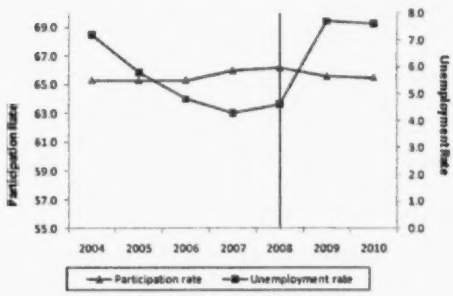
The Road Back: Pre and Post Downturn Labour Market Statistics

The economic downturn

Prior to the economic downturn in 2008, BC was enjoying a period of strong growth in terms of lower unemployment rates[†], and higher participation[‡] and employment rates[§], but shortly after 2008 these rates started to change—unemployment rates increased and participation and employment rates decreased.

Labour market characteristics

Both the participation and unemployment rates performed poorly after 2008

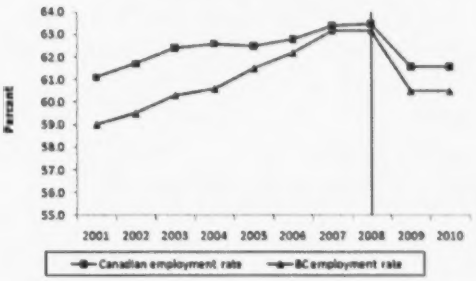


Source: Labour Force Survey 2010

From 2004 to 2008 BC's unemployment rate fell from 7.2 percent in 2004 to 4.6 percent in 2008 for those 15 years and older. Similarly, the provincial participation rate was growing, increasing from 65.3 percent in 2004 to 66.2 percent in 2008. After 2008 the unemployment rate jumped to 7.6 percent in 2010, while the participation rate fell to 65.5 percent.

BC's employment rate has been below the Canadian employment rate since 1998 (for those 15 years and older). The gap between the BC and Canadian employment rate was the greatest in 2002 at 2.2 percentage points (61.7 percent for Canada and 59.5 percent for BC). This gap was beginning to disappear in 2007 and 2008 when the BC employment rate was 0.2 percentage points and 0.3 percentage points below Canada's employment rate. After 2008, both Canada and BC had a drop in their respective employment rates, but BC's rate fell further causing the gap to increase 1.1 percentage points in 2009 and 2010.

British Columbian employment rate has been outpaced by the Canadian rate



Source: Labour Force Survey 2010

There appears to have been an increase in the number of people not participating in BC's labour force after a long period of gradual improvement between 2002 and 2007. The reported number of discouraged workers[**] in 2002 was 7,000 which was the highest for the period 2001 to 2010. Between 2002 and 2007, the number of discouraged workers decreased, ultimately falling to a low of 1,500 people in 2007. The number of discouraged workers increased marginally between 2007 and 2008 and has remained above 4,000 since 2009. Just over half (56 percent) of the discouraged workers in 2010 were in the prime working age category (25 to 54 years). The discouraged worker group is almost equally split between men and women (58 percent versus 42 percent in 2010).

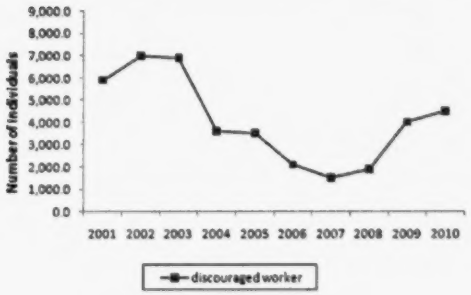
[†] The unemployment rate is the number of unemployed persons expressed as a percentage of the labour force.

[‡] The participation rate represents the number of persons in the labour force expressed as a percentage of the total population.

[§] The employment rate is the total number of employed divided by the total population size.

[**] Discouraged workers are defined as those persons who reported wanting to work at a job or business during reference week and were available but who did not look for work because they believed no suitable work was available.

After years of improvement the number of discouraged workers increased in 2008



Source: Labour Force Survey 2010

Reasons for looking for work

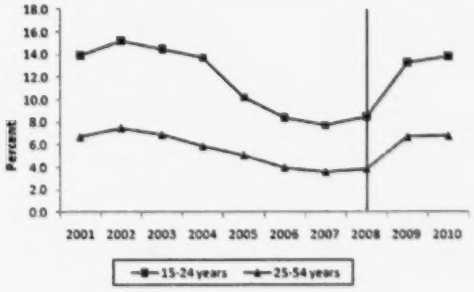
Between 2008 and 2010, the unemployment rate in BC increased by 3 percentage points; from 4.6 in 2008 to 7.6 in 2010. However, not all of the people who were unemployed had been laid-off. In 2010, 48 percent of those people looking for work reported the reason they were unemployed was because they had been laid-off; an increase of 6.1 percentage points from the 2008 figure (42 percent). The vast majority of those laid-off lost their job as a result of a permanent layoff—90.7 percent in 2010 and 85.5 percent in 2008. In 2010, new entrants†† and re-entrants‡‡ accounted for a third of the unemployed, a slight increase from the 28.3 percent reported in 2008.

Gender and age differences

Men and women in BC were affected in significantly different ways by the downturn from 2008 to 2009. BC's men faced larger increases in the unemployment rates after the downturn compared to women (4.0 percentage points versus 2.0 percentage points respectively). The men also experienced a drop in their participation rate compared to a slight improvement for women (-1.3 percentage points versus 0.1 percentage points) and a larger decrease in their employment rate compared to BC's women (4.1 percentage points versus 1.2 percentage points).

Youth and older workers in BC were impacted differently by the downturn. Youth (aged 15 to 24) faced larger increases in the unemployment rate after the downturn compared to prime working age group (25 to 54)—5.3 percentage points versus 2.9 percentage points between 2008 and 2010. This gap in the unemployment rate between these two age groups was beginning to decline in 2007 when the youth unemployment rate was only 4.1 percentage points above the prime working age rate.

Youth in BC face higher unemployment rates compared to their older counterparts



Source: Labour Force Survey 2010

The participation rate for youth has also seen a large decrease compared to their prime working age counterparts (-4.6 percentage points versus -0.3 percentage points from 2008 to 2010).

Older worker (65 years and older) in BC have also been impacted by the downturn. The participation rate of older workers has doubled since 2001 (5.2 percent versus 11.6 percent in 2010.) In 2008, the Labour Force Survey reported the first double digit participation rate (10.1 percent) for those workers 65 and over since the survey started in 1976.

†† New Entrants are people entering the labour force in search of their first job.

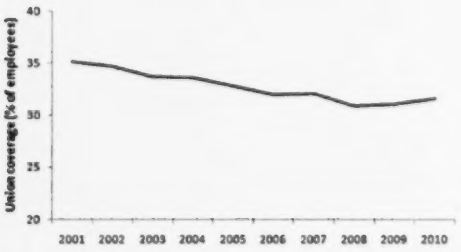
‡‡ Re-entrants are people currently unemployed who had worked in the past and were out of the labour force for some time following separation from their last job.

Union coverage[§§]

Interestingly, over 85 percent of those covered by a union agreement work in the service sector, and women make up the majority of workers employed in this industry at 57 percent. The growth of union coverage has been considerably impacted by the downturn. Union coverage had an average annual growth rate of 0.5 percent from 2001 to 2008, but from 2008 to 2010, the average annual growth rate increased to 0.7 percent per year.

However, growth in union coverage has not kept pace with growth in the number of employees and the proportion of employees covered by a union agreement has also not recovered to pre-downturn levels. In 2010, union coverage stood at 31.6 percent of employees.

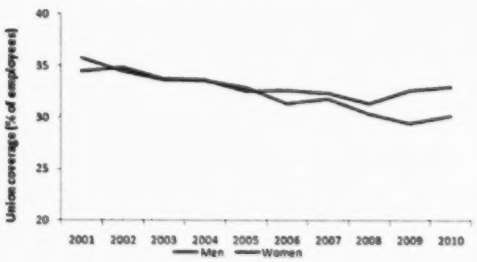
Union coverage has not returned to pre-downturn levels



Source: Labour Force Survey 2010

There are differences in the union coverage between women and men in BC pre-and post-downturn. More women were covered by union agreements since 2006, with a notable increase from 2008 onward while male workers in BC saw a decline in the proportion covered by union agreements.

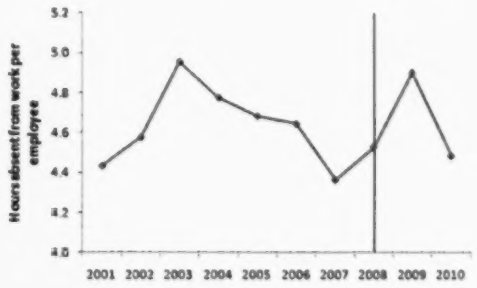
Union coverage rates for women and men have diverged since the downturn



Source: Labour Force Survey 2010

Average hours absent from work

Absentee hours per employee were lower pre-downturn



Source: Labour Force Survey 2010

The average number of hours employees were absent from work[***] during a month declined from 2003 to 2007, falling from 5.0 to 4.4 hours per employee. The average hours missed per employee increased to 4.5 and 4.9 hours respectively in 2008 and 2009, and dropped back to 4.5 hours in 2010.

In 2010, relative to the rest of the western provinces and Canada, BC had fewer absentee hours per employee. BC workers were absent for 4.5 hours during a typical month, compared to 5.5, 4.9 and 4.7 hours for

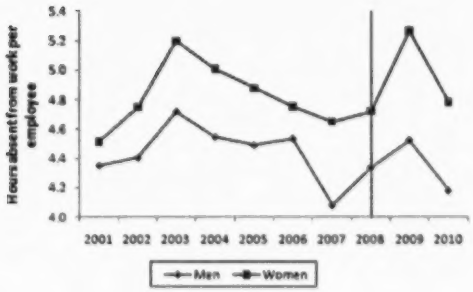
[§§] Employees who are members of a union and employees who are not union members but are covered by a collective agreement or a union contract.

[***] Reasons for absence include own illness or disability, personal or family responsibilities, maternity or parental leave, vacation, weather, labour dispute, temporary layoff, job started or ended during reference week, holiday, working short time, and other reasons.

Saskatchewan, Manitoba and Alberta respectively. The total absentee hours at the national level was 4.6 hours.

From 2007 to 2009, there was an increase in the absentee hours for both men and women. For men, absentee hours increased from 4.1 in 2007 to 4.5 hours in 2009, while the number of hours missed by women increased from 4.7 to 5.3 hours. On a positive note, the number of hours men and women were absent from work decreased in 2010, down to 4.2 hours for men and 4.8 hours for women, approaching pre-downturn levels.

Men and women were absent from work by different amounts

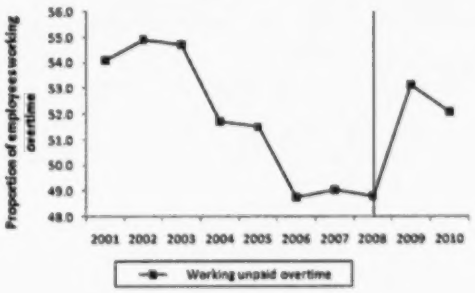


Source: Labour Force Survey 2010

Overtime compensation

Since the early 2000s, about 1 in 5 employees worked paid or unpaid overtime. The proportion of employees who were working overtime and not being paid was high in the early 2000s, reaching a level of 54.9 percent in 2002. The proportion of these workers began to decline after 2002, reaching a proportion of 48.8 percent in 2008. After the downturn, the proportion of individuals working unpaid overtime increased to historical levels seen prior to 2004.

Post-downturn fewer British Columbian employees who worked overtime received any compensation



Source: Labour Force Survey 2010

Some of the differences were seen when the gender of the workers was considered. Almost two-thirds (65.2 percent) of women reported they were working unpaid overtime to only 4 in 10 (43.1 percent) of men, a difference of 22.1 percentage points.

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BC at a glance . . .

POPULATION (thousands)	Apr 1/2011	% change on one year ago
BC	4,563.3	1.1
Canada	34,349.2	1.1
GDP and INCOME (Released Nov 4)		
(BC - at market prices)	2009	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	191,006	-3.4
GDP *($ 2002 millions)*	161,851	-1.8
GDP *($ 2002 per Capita) (reflects revised pop)*	36,287	-3.5
Personal Disposable Income *($ 2002 per Capita)*	25,374	-1.9
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - May 2011	3,052	-3.9
Merchandise Exports - Jun 2011	2,771	0.8
Retail Sales - May 2011	4,921	-0.7
CONSUMER PRICE INDEX	% change on one year ago	12-month avg % change
(all items - Jun 2011)		
BC	2.7	2.3
Vancouver	2.6	2.5
Victoria	2.6	2.1
Canada	3.1	2.5
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Jul 2011	prev. month
Jobs Created (-Lost) - BC	5.4	
Labour Force - BC	2,453.3	0.3
Employed - BC	2,274.1	0.2
Unemployed - BC	179.2	1.0
		Jun 2011
Unemployment Rate - BC *(percent)*	7.3	7.3
Unemployment Rate - Canada *(percent)*	7.2	7.4
INTEREST RATES (percent)	Aug 10/2011	Aug 11/2010
Prime Business Rate	3.00	2.75
Conventional Mortgages - 1 year	3.50	3.30
- 5 year	5.39	5.59
US-CANADA EXCHANGE RATE	Aug 10/2011	Aug 11/2010
(avg. noon spot rate) Cdn $ per US $	0.9910	1.0456
(closing rate) US $ per Cdn $	1.0052	0.9567
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Jul 2011	one year ago
BC	834.14	1.4
Canada	833.73	1.9

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Socio-Economic Profiles & Indices, 2010

The regional socio-economic profiles present data in tables and charts on population, economic hardship, labour market, education, crime, health, immigrants, and risk factors for children and youth. The socio-economic indices summarize social and economic conditions over a wide variety of indicators into a single composite index. When viewed together, these indices provide a summary measure of the relative successes and challenges across regions of the province and provide policy makers with information that supports fact based decision-making when allocating budgetary resources.

The socio-economic profiles are available for various regions within the province, including: Development Regions, Regional Districts, Local Health Areas, College Regions, School Districts, Health Service Delivery Areas, Health Authorities, and custom geographies. The socio-economic indices are available for Regional Districts and Local Health Areas.

http://www.bcstats.gov.bc.ca/data/sep/index.asp

BC Labour Market Outlook 2010-2020

The second annual Labour Market Outlook (2010-2020) report, featuring labour market supply and demand projections by occupation and region, is now available. Based on the BC Labour Market Scenario Model (undertaken by the Ministry of Jobs, Tourism and Innovation in partnership with BC Stats and the Ministry of Finance), this report provides projections of future job openings and potential labour market imbalances.

http://www.workbc.ca/docs/BCLMOutlook.pdf

Released this week by BC Stats

- Exports, June 2011
- Quarterly Regional Statistics, 2nd Quarter 2011
- Economic Statistics Report, August 2011

Next week

- Consumer Price Index, July 2011

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